

WHAT IS CLAIMED IS:

1. A like-kind exchange method comprising:

establishing an accommodating entity to facilitate the like-kind exchange, the accommodating entity being funded by a limited contribution obligation from a third party;

receiving a request from an exchanger that identifies a replacement property to utilize in the like-kind exchange;

establishing a property owning entity to acquire an ownership interest in the replacement property, the property owning entity being capitalized through a contribution by the accommodating entity of a promissory note in an amount appropriate for the like-kind exchange; and

exchanging a relinquished property of the exchanger with the replacement property.

2. The like-kind exchange method according to claim 1, wherein the exchanger is a corporate entity.

3. The like-kind exchange method according to claim 1, wherein the exchanger is one of a partnership and a limited liability company.

4. The like-kind exchange method according to claim 1, wherein the exchanger is an individual.

5. The like-kind exchange method according to claim 1, wherein the third party is one of a trust company and a bank.

6. The like-kind exchange method according to claim 1, wherein the property owning entity is a limited liability company of which the accommodating entity is a sole member.

7. The like-kind exchange method according to claim 1, wherein the property owning entity is a nominee trust of which the accommodating entity is a sole beneficiary.

8. The like-kind exchange method according to claim 1, the method further comprising insulating the accommodating entity from liability and facilitating a transfer of the replacement property in exchange for the relinquished property in the like-kind exchange by vesting ownership of the replacement property in the property owning entity.

9. The like-kind exchange method according to claim 1, the method further comprising making improvements to the replacement property to increase its value.

10. The like-kind exchange method according to claim 9, wherein an amount of the limited contribution obligation is related to a cost of the initial acquisition of the replacement property and a cost of the improvements.

11. The like-kind exchange method according to claim 10, wherein the amount of the limited contribution obligation is 5% of the cost of the initial acquisition of the replacement property and the cost of the improvements.

12. The like-kind exchange method according to claim 1, wherein the property owning entity acquires a fee simple ownership in the replacement property.

13. The like-kind exchange method according to claim 1, wherein the property owning entity acquires a ground lease in the replacement property.

14. The like-kind exchange method according to claim 1, the method further comprising the exchanger assigning construction and development contracts relating to the replacement property to the property owning entity.

15. The like-kind exchange method according to claim 1, wherein the property owning entity obtains financing for the acquisition and improvement of the replacement property.

16. The like-kind exchange method according to claim 15, wherein the financing includes a first loan from the exchanger.

17. The like-kind exchange method according to claim 16, wherein the first loan is non-recourse.

18. The like-kind exchange method according to claim 16, wherein the first loan is approximately 30% of the anticipated cost of construction and development of the replacement property.

19. The like-kind exchange method according to claim 16, wherein the financing further includes a second loan.

20. The like-kind exchange method according to claim 19, wherein the second loan is from the exchanger.

21. The like-kind exchange method according to claim 19, wherein the second loan is from a fourth party.

22. The like-kind exchange method according to claim 19, wherein at least a portion of the second loan is recourse.

23. The like-kind exchange method according to claim 22, wherein the portion ranges from 2% to 10% of the second loan.

24. The like-kind exchange method according to claim 19, wherein any amount paid by the accommodating entity with respect to the second loan reduces a principal obligation of the accommodating entity under the promissory note used to capitalize the property owning entity.

25. The like-kind exchange method according to claim 1, the method further comprising the property owning entity leasing the replacement property to the exchanger with a purchase option pursuant to an operating lease on arms-length terms sufficient to pay a debt service on the replacement property.

26. The like-kind exchange method according to claim 25, the method further comprising structuring the lease to meet all operating costs, including debt service, and provide the property owning entity with a profit equal to a percentage of an at-risk amount of the property owning entity.

27. The like-kind exchange method according to claim 25, wherein exercise of the purchase option subjects the exchanger to payment of an exercise fee.

28. The like-kind exchange method according to claim 25, wherein the accommodating entity does not have any put rights under the lease with respect to its interests in the property owning entity.

29. The like-kind exchange method according to claim 1, wherein the accommodating entity and the property owning entity specifically disavow any agency relationship with the exchanger.

30. A like-kind exchange method comprising:
establishing an accommodating entity to facilitate the like-kind exchange, the accommodating entity being funded by a limited contribution obligation from a third party;

receiving a request from an exchanger that identifies a replacement property to utilize in the like-kind exchange;

establishing a property owning entity to acquire an ownership interest in the replacement property, the property owning entity being capitalized through a contribution by the accommodating entity of a promissory note in an amount appropriate for the like-kind exchange;

the property owning entity obtaining financing for the acquisition and improvement of the replacement property;

the property owning entity leasing the replacement property to the exchanger with a purchase option pursuant to an operating lease on arms-length terms sufficient to pay a debt service on the replacement property; and

exchanging a relinquished property of the exchanger with the replacement property.

30. A structure for facilitating a like-kind exchange, the structure comprising:
an exchanger that identifies a replacement property to utilize in the like-kind exchange;

an accommodating entity that facilitates the like-kind exchange;

a third party that funds the accommodating entity by a limited contribution obligation; and

a property owning entity that acquires an ownership interest in the replacement property, the property owning entity being capitalized through a contribution by the accommodating entity of a promissory note in an amount appropriate for the like-kind exchange.